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Dairy and Products

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Report Highlights:

Post projects an increase in production of milk and milk products in 2004, continued favorable prices to producers, higher exports, and lower imports of dairy products. A small increase in domestic demand for milk products should result from increased Government spending on social programs.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

Despite some improvement in the macro economic indicators, such as a record trade surplus, declining domestic interest rates, stronger control over inflation and the public deficit, and Brazil's improved credit rating by most international rating agencies, the domestic economic situation remains sluggish with slow economic growth, high rates of unemployment, and 14 percent decline in the purchasing power of Brazilian consumers.

This economic scenario has had a mixed impact on the dairy sector in 2003 by reducing consumption of dairy products, mostly cheese, yogurt, and other frozen dairy desserts, thus reducing demand for fluid milk for factory use. However, because of a favorable exchange rate in 2003, as compared to last year, exports of milk products (mostly powdered milk) are at record levels and demand is also higher for fluid milk for human consumption as a result of social government programs. This has improved producer prices in 2003.

The outlook for 2004 calls for a similar scenario, despite stronger economic growth and positive trends in other economic indicators such lower unemployment rates and higher consumer income. However, most of the demand in 2004 is expected to come from government social programs and exports, which will likely keep returns to producers at favorable levels. Most trade analysts also expect a less volatile exchange rate in 2004, with the exchange rate varying between R\$2.90 and R\$3.00 per U.S. dollar. Although during Jan-Oct 2003, the Brazilian currency has appreciated 19 percent, and is currently stable at around R\$2.90 per U.S. dollar, the average exchange rate for Jan-Oct 2003 is still 17 percent higher than the same period in 2002.

Commodity Outlook, Fluid Milk

Production

Note: Official milk production data in Brazil does not include non-commercial and "informally" marketed milk, which represents about 35 percent of total milk production. OAA estimates are based on interviews with trade and government sources and include both commercial, as well as non-commercial and informally marketed milk.

Fluid milk production for CY 2004 (Jan-Dec) is forecast to increase to 23 billion liters, up 2 percent from the current year. The increase in production reflects higher productivity, mostly from large Brazilian dairies, good weather conditions in the major producing areas, higher demand for fluid milk from social programs, and continued favorable prices for milk producers.

Higher productivity is the major factor contributing to increased milk production in Brazil. The increase is coming mostly from integrated producers who have the support of large multinational and Brazilian dairies, such as Nestle, Parmalat, and Itambe. These dairies provide support to dairy farmers to invest in genetics, nutrition, quality, and improved management practices. According to the most recent data available from the 15 largest dairies in Brazil, the number of milk producers under contract with these dairies dropped by 16 percent to 95,847 producers in 2002 from 114,216 producers in 2001, but the average productivity of these producers, increased by 24 percent, from 458 liters/day per producer in 2001 to 567 liters/day per producer in 2002.

Brazilian dairy producers are entitled to investment funds from the national milk development program (Pro-Leite). During the 2003/04 marketing year, the government has allocated US\$35 million to finance producers to increase productivity through herd improvement, emphasis on quality, and improved management practices.

Another major production factor is the increasing concentration of milk production in the industry. In 2003, the 15 largest dairies could account for nearly 60 percent of total fluid milk production under federal inspection, an increase of 5 percent from 2002. The concentration of production among fewer dairies also contributed to increase concentration among fewer states, with production moving from traditional milk producing areas in Minas Gerais to new frontier areas in the Center-West regions of the country.

Consumption

Overall consumption of fluid milk is forecast to increase by two percent in CY 2004. The increase is derived mostly from consumption as fluid milk use because of higher demand from the government social programs. The increase in consumption for factory use will rebound in 2004, but at a lower rate than fluid milk, because of the drop in consumption of some dairy products, such as yogurt and cheese.

The most recent survey of 124 grocery items purchased by Brazilian consumers show a change in diet resulting from an average loss of 17 percent in consumer purchasing power for the past 12 months. Within the dairy sector, yogurt and cheese were the most affected with estimated drop in consumption of 29 and 23 percent, respectively. The lower demand for dairy products in general was reflected in the consumption of fluid milk for factory use in 2003.

According to trade sources, consumption of UHT milk in 2004 will reach nearly 85 percent of total fluid milk consumption in Brazil. The increase in consumption of UHT is due to several factors, including greater convenience to consumers, carton packaging (not glass or plastic), no need for refrigeration, and competitive pricing. Brazilian supermarkets sell predominantly UHT milk, leaving "C" and "B" type refrigerated fresh milk to be sold by the traditional mom-and-pop bread and convenience stores, but at lower volumes.

Prices

During Jan-Sep 2003 the average price paid to producers in Minas Gerais for fluid milk (type "C") was R\$0.48 per liter, up 37 percent from R\$0.35 per liter for the same period in 2002.

The average price of fluid milk (type "C") paid to producers during Jan-Dec 2002 was R\$0.37 per liter in Minas Gerais (largest dairy state in Brazil), followed by R\$0.35 per liter in Goiás (second largest milk producer). Assuming the average exchange rate of R\$2.93 per U.S. dollar in 2002, these prices were respectively US\$0.13 and US\$0.12 per liter. Average producer prices for milk in 2002 were 16 percent higher compared to 2001.

Trade

Imports of fluid milk, mostly packaged UHT milk sold by companies from Argentina and Uruguay with commercial interests in Brazil, are expected to drop in 2003. Trade analysts attribute this drop to two factors: a) the 17 percent devaluation of the Brazilian currency relative to the U.S. dollar in 2003, when compared to the average exchange rate in 2002, and, b) higher domestic fluid milk availability due to stagnant domestic consumption, mostly for value-added dairy products. The outlook for imports in 2004 also calls for a continued drop in fluid milk imports.

Brazil exports insignificant quantities of packaged fluid milk, mostly to Paraguay and the Philippines.

Tariff Rate Table

Tariff Number (HTS)	Product Description	Rate (%) (1)	Other Info
0401.10.10	Milk and Cream, UHT	15.5	Mercosul: Zero
0401.10.10	Milk and Cream, UHT	13.5	Mercosul: Zero

Note: (1) MERCOSUL's Common External Tariff (CXT). Tariffs reflect an increase of 2.5 percent, per Decree Number 3,704 of December 27, 2000. The CXT is applied to all imports other than from MERCOSUL. These tariffs are assessed on the CIF value of the product.

Stocks

There are no government stocks of milk or milk products in Brazil.

Policy

The new Agricultural and Livestock Plan for the 2003/2004 season announced in June 2003, by the federal government allocates about R\$32.5 billion: (US\$11.2 billion for rural credit, of which R\$5.7 billion (US\$1.9 billion) is for investment credit in the sector, up 24.2 percent from 2003. Dairy cattle producers can benefit from the following investment credit programs, with subsidized interest rates (8.75 percent per year), to increase productivity and overall milk production:

- a) PROLEITE. For the first time, the federal government created a national program specific to finance milk producers. The program is designed to modernize producer's operations, provide incentives for cooling milk at the farm, transportation, and silage. For the 2003/2004 marketing year, the total amount of funds allocated under the PROLEITE is R\$100 million (US\$35 million), with a loan limit per producer established at R\$60,000 (US\$21,000).
- b) MODERFROTA. This program is designed to finance farm equipment in general. Total funds allocated under this program for 2003/2004 are R\$2 billion (US\$870 million), and loan limits vary according to the income of the producers.
- c) MODERINFRA. This program allows dairy producers to build or rebuild silos and warehouses on their farms. The program was recently modified to include irrigation systems. Funds allocated to this program during 2003/2004 are R\$500 million (US\$166 million) and are limited to R\$100,000 (US\$33,000) per producer.
- d) PROPASTO. This program is designed for pasture improvement and recently was modified to include soil erosion and conservation of low-lands. Total funds allocated under this program for 2003/2004 are R\$600 million (US\$206 million), and are limited to R\$150,000 (US\$52,000) per producer.

Milk producers are also entitled to state dairy development programs designed to increase productivity through pasture improvement and animal genetics. State government programs are also developed to assist and improve social and economic conditions of the small milk producers. However, the most important state subsidy program to milk producers is the exemption of the state value-added tax (ICMS) on the sale of milk by producers and

cooperatives. This benefit, however, is only available for few a states in Brazil, mostly in the center-west and south regions.

In addition to these federal and state programs, milk producers also benefit from financing programs from large dairies, such as Nestle and Parmalat, which are specifically designed to increase milk productivity and quality. These programs are only available for those integrated milk producers with these respective dairies.

Other major policies affecting the dairy sector in 2003 are:

- a) the new minimum reference price for milk of R\$0.32 or (US\$0.11), per liter, for the states located in the southeast of Brazil, and R\$0.30 (US\$0.10), per liter, for other regions. These prices are used as reference for government loan programs, and do not reflect real market prices paid to producers, currently around R\$0.45 (US\$0.16), per liter;
- b) The Ministry of Agriculture, Livestock, and Food Supply (MAPA) also announced the implementation of the National Program to Increase Milk Quality and Control (PNQL), which is designed to benefit consumers and increase exports. This program is also designed to control fraud in milk production, such as the mixture of whey powder in fluid milk and to curb production of informal milk.
- c) MAPA also began the enforcement of a federal rule that prohibits the use of imported powdered milk in social feeding programs financed by the federal or state governments. In addition, the federal government also increased surveillance of non-tariff barriers on dairy imports, such as formal review and registration of foreign processing plant inspection systems, greater pre inspection of plants in exporting countries, certificates of origin, laboratory product-quality tests, and product label registration according to the Brazilian consumer law. Since 2002, the Brazilian Inspection Department for Products of Animal Origin (DIPOA) resumed the registration of new U.S. dairy export plants to export their products to Brazil.
- d) The FOME ZERO (Zero Hunger) program, initially announced as the major social program of the new federal administration, has been recently modified to include other social assistance programs. This program is beginning to provide financial assistance to the poor. Milk producers expect to benefit from this program in 2004.

Commodity Outlook, Cheese

Production

Note: There are no official statistics on production and consumption of cheese in Brazil. OAA production estimates for cheese are based on interviews with trade contacts and also include "informal" cheese production.

Post forecasts cheese production in CY 2004 to increase by only two percent due to continued sluggish demand and weak consumer purchasing power. The increase in demand is coming mostly from the fast-food industry, since consumers dropped cheese from their list of priority products. Cheese exports are insignificant and are not expect to influence supplies.

Consumption

Human consumption of fresh cheese is expected to increase only marginally in 2004 because of the higher domestic prices for cheese combined with the drop in consumer purchasing power. Most of the increase in demand will continue to come from the fast-food industry, institutional, and "specialty" cheeses (Gruyere, Gouda, Cheddar).

Prices

Average wholesale prices of Brazilian-produced cheese by major types are:

Type	US\$/Kilogram
Minas (fresh farmer type)	2.59
Mozzarella	2.62
Provolone	3.28
Parmesan	3.28

Notes: (1) Prices for Sao Paulo market, as of 10/30/2003.
 (2) Current Exchange Rate: US\$1.00=R\$2.90

Trade

Cheese imports are expected to decline significantly in 2003 because of higher import costs combined with poor domestic demand deriving from the drop in consumer's purchasing power. Argentina and Uruguay remain as the main suppliers of cheese to Brazil, basically because of the preferential tariff treatment deriving from the MERCOSUL Agreement.

Exports of cheese, although insignificant, are expected to continue to increase in 2004, mostly because of the favorable exchange rate, which makes the Brazilian product competitive in world markets. However, the cheese industry is generally not prepared to increase exports because of the lack of a marketing infrastructure.

Tariff Rate Table

Tariff Number (HTS)	Product Description	Rate (%)	Other Info
0406.10.10	Cheese, Mozzarella	17.5	Mercosul: 27%
0406.10.90	Cheese, Other	17.5	Mercosul: Zero
0406.20.00	Cheese: Grated or Powdered	17.5	Mercosul: Zero
0406.90.10	Cheese, with a fat content less than 36 %, by weight	17.5	Mercosul: 27%
0406.90.20	Cheese with a fat content superior or equal to 36 % and less than 46%,by weight	17.5	Mercosul: 27%

Notes:

(1) MERCOSUL's Common External Tariff (CXT). Tariffs reflect the increase of 2.5 percent, per Decree Number 3,704 of December 27, 2000. The CXT tariff is applied to all imports other than from MERCOSUL. These tariffs are assessed on the CIF value of the product;

(2) Effective June 1, 2001, these types of cheeses were included on the "exception list" of the Common External Tax (CXT), of the MERCOSUL, per Resolution 16/01, of the Foreign Trade Chamber (CAMEX), which altered Annex Two of the Decree Number 3,704 of December 27, 2000. The 27% tax is charged in addition to the Import Tariff of 18.5 percent for all imported cheeses, including MERCOSUL members.

Commodity Outlook, Butter

Production

Note: There are no official statistics on production and consumption of butter in Brazil. OAA Production estimates for butter are based on interviews with trade contacts, and also includes "informal" butter production.

Butter production is projected to increase by 4 percent in CY 2004, reflecting a small increase in domestic demand and lower imports. Competition from margarine remains strong, with margarine production rising to 806,000 metric tons in 2004, up 3 percent from 2003. Imports are expected to continue to drop next year because of the high cost of imports due to the devaluation of the Brazilian currency. Uruguay, and to a lesser extent, Argentina, are the only suppliers of butter to Brazil.

Post revised butter production for 2003 to reflect a decline in domestic consumption of nearly 3 percent due to unusually high prices for butter and competition from margarine.

Prices

Type	US\$/kilogram
Salted	2.40
Unsalted	2.10

Notes: (1) Prices for Sao Paulo market, as of 10/30/03

(2) Average Exchange Rate: US\$1.00=R\$2.90

Tariff Rate Table

Tariff Number	Product Description	Rate (%) (1)	Other Info
0405.10.00	Butter	17.5	Mercosul: Zero
0405.90.10	Butter Oil	17.5	Mercosul: Zero

Notes: MERCOSUL's Common External Tariff (CXT). Tariffs reflect the increase of 2.5 percent, per Decree Number 3,704 of December 27, 2000. The CXT tariff is applied to all imports other than from MERCOSUL. These tariffs are assessed on the CIF value of the product.

Commodity Outlook, Powdered Milk

Production

Note: There are no official statistics on production and consumption of powdered milk in Brazil. OAA estimates for powdered milk production (nonfat and whole milk) are based on interviews with the trade.

Post forecasts powdered milk production to increase 4 percent in 2004 to 520,000 metric tons, of which 79 percent is whole milk powder (WMP), and 21 percent is nonfat dry milk powder (NDM). The following factors support higher Brazilian powdered milk production in 2004:

- a) higher import tariffs, devaluation of the Brazilian currency, and minimum import prices reduced imports of subsidized powdered milk;
- b) higher exports of powdered milk because of a continued favorable exchange rate;
- c) prohibition of the use of imported powdered milk in government's social programs;
- d) higher allocation of government funds for social programs at the federal and state levels; and,
- e) higher sanitary standards for imported milk;
- f) new credit programs of more than R\$100 million (US\$34 million) by the National Bank of Economic and Social Development (BNDES) to finance new investments for powdered milk production. This does not include private sector capital, which brings total investments up to US\$100 million; and,
- g) reported increase of 25 percent in sales of equipment for producing powdered milk.

Consumption

Domestic consumption of powdered milk in 2003 is expected to decline due to higher domestic prices for powdered milk combined with the loss of consumer purchasing power. Post forecasts powdered milk consumption to recover in 2004 by nearly 2 percent, in view of the prospects for economic growth, lower unemployment, and higher consumer income. In addition, during 2003, the federal government is expected to allocate a significant amount of funds for social programs designed to fight poverty and hunger.

Prices

Average wholesale prices of powdered milk, by type, are:

Type	US\$/kilogram
Whole milk powder	6.00
Nonfat dry milk powder	5.00

Notes:

- (1) Prices for Sao Paulo market, as of 10/30/03.
- (2) Average Exchange Rate: US\$1.00=R\$2.90

Trade

Imports of powder milk (both whole and nonfat) are estimated to decline by 14 percent in 2004, following a significant drop of nearly 48 percent estimated for 2003. The significant decline of powdered milk imports in 2003 are the result of higher import duties (after the antidumping investigation), minimum import prices, and 17 percent devaluation of the Brazilian currency in 2003.

Argentina and Uruguay are the major suppliers of powdered milk to Brazil, accounting together for 86 percent of total imports, which is comprised mostly of whole milk powder (83 percent of the total imported). New Zealand is a minor supplier of powder milk to Brazil, accounting for nearly 5 percent. The United States is not competitive in the Brazilian market for powder milk.

Post forecasts exports of powder milk, mostly whole milk, to increase in 2004 by 14 percent due mostly to a favorable exchange rate and new markets for the Brazilian products. Angola remains as the major destination for Brazilian powder milk, accounting for nearly 42 percent of the total. Among the new markets for the Brazilian product are Trinidad and Tobago and the United States.

Tariff Rate Table

Tariff Number (HTS)	Product Description	Rate (%)	Other Info
0402.21.10	Whole Milk Powder	17.5	Mercosul: 27%
0402.21.20	Nonfat Milk, Powder	17.5	Mercosul: 27%
0404.10.00	Whey Powder	15.5	Mercosul: 27%

Notes:

- (1) MERCOSUL's Common External Tariff (CXT). Tariffs reflect the increase of 2.5 percent, per Decree Number 3,704 of December 27, 2000. The CXT tariff is applied to all imports other than from MERCOSUL. These tariffs are assessed on the CIF value of the product;
- (2) Effective June 1, 2001, milk powder was included in the "exception list" of the Common External Tariff (CXT), of the MERCOSUL, per Resolution 16/01, of the Foreign Trade Chamber (CAMEX), which altered Annex Two of the Decree Number 3.704 of December 27, 2000. The 27 percent tax is charged in addition to the import tariff of 18.5 percent to all markets, including MERCOSUL members.
- (3) In addition to the above tariffs, the Brazilian Foreign Trade Board (CAMEX) published the final report of their official dumping investigation, with the following results:

Country	Companies	Applied Rates (%)
New Zealand	New Zealand Dairy Board	3.9
	All other companies	3.9
European Union	All companies, except Arla Foods	14.8
	Ingredients Amba (see note below) Cerealin S.A.	16.9
Uruguay	All companies (see note below)	16.9

Note: Argentina, and later Uruguay, negotiated with Brazilian officials a minimum export price for powdered milk exports to Brazil. Arla Foods Ingredients Amba from Denmark also negotiated a minimum export price. The minimum price was established at US\$1,900 per metric ton, FOB, and calculated using USDA's price list.

(4) Effective August 26, 2002, whey powder was included in the "exception list" of the Common External Tariff (CXT), of the MERCOSUL, per Resolution 21, of the Foreign Trade Chamber (CAMEX), published in the Diario Oficial (Brazil's Federal Register) on August 26, 2002. The 27 percent tax is charged in addition to the Import Tariff of 15.5 percent to all markets, including MERCOSUL members.

Stocks

There are no official government stocks of powdered milk in Brazil

Policy

Please see section under Fluid Milk

Marketing

Two important business organizations were formed in Brazil to market Brazilian powdered milk overseas:

1) SERLAC. The first Brazilian dairy trading to export Brazilian made dairy products, mostly powdered milk, under the brand "Brazilian Dairy Board", following the example of New Zealand. SERLAC includes five major dairies and cooperatives: Itambe, Confepar, Paulista (CCL), Emare and Ilpisa. SERLAC is working in the following markets: Algeria, Morocco, Libya, Middle East, and Latin America. The United States is also a target market.

2) DPA. Nestle and Fonterra from New Zealand formed a joint-venture called Dairy Partners of Americas (DPA), which entered into operation on January 1, 2003. The company has its headquarters in Brazil, and will operate in Latin American counties. During 2003, DPA is operating only in Argentina, Brazil, and Venezuela, expanding later to Chile, Ecuador, Colombia, and the Caribbean Islands. In 2004, DPA plans to initiate sales to the NAFTA countries. Nestle's seven milk plants in Brazil will service as the production base for DPA.

Tables

PSD: Dairy, Milk, Fluid

Brazil Dairy, Milk, Fluid							
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		01/2002		01/2003		01/2004	MM/YYYY
Cows In Milk	15600	15600	15300	15300	0	15200	(1000 HEAD)
Cows Milk Production	22635	22635	23000	22860	0	23317	(1000 MT)
Other Milk Production	0	0	0	0	0	0	(1000 MT)
TOTAL Production	22635	22635	23000	22860	0	23317	(1000 MT)
Intra EC Imports	0	0	0	0	0	0	(1000 MT)
Other Imports	25	28	15	3	0	3	(1000 MT)
TOTAL Imports	25	28	15	3	0	3	(1000 MT)
TOTAL SUPPLY	22660	22663	23015	22863	0	23320	(1000 MT)
Intra EC Exports	0	0	0	0	0	0	(1000 MT)
Other Exports	4	4	8	2	0	4	(1000 MT)
TOTAL Exports	4	4	8	2	0	4	(1000 MT)
Fluid Use Dom. Consum.	12292	12295	12326	12391	0	12743	(1000 MT)
Factory Use Consum.	10218	10218	10571	10320	0	10423	(1000 MT)
Feed Use Dom. Consum.	146	146	110	150	0	150	(1000 MT)
TOTAL Dom. Consumption	22656	22659	23007	22861	0	23316	(1000 MT)
TOTAL DISTRIBUTION	22660	22663	23015	22863	0	23320	(1000 MT)
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Import Trade Matrix, Milk, Fluid

Brazil Dairy, Milk, Fluid			
Time Period	Jan-Dec	Units:	1,000 MT
Imports for:	2001		2002
U.S.	0	U.S.	0
Others		Others	
Argentina	6		9
Paraguay	1		1
Uruguay	32		18
Total for Others	39		28
Others not Listed	0		0
Grand Total	39		28

Export Trade Matrix, Milk, Fluid

Brazil Dairy, Milk, Fluid			
Time Period	Jan-Dec	Units:	1,000 MT
Exports for:	2001		2002
U.S.	0	U.S.	0
Others		Others	
Paraguay	2		1
Philippines	1		3
Total for Others	3		4
Others not Listed	0		0
Grand Total	3		4

Pices, Dairy, Milk, Fluid

Brazil Dairy, Milk, Fluid			
Prices in	Reais(R\$)/Liter	Reais (R\$)/Liter	
Year	2001	2002	% Change
Jan	0.29	0.29	0%
Feb	0.29	0.29	0%
Mar	0.29	0.29	0%
Apr	0.3	0.31	3%
May	0.31	0.33	6%
Jun	0.33	0.33	0%
Jul	0.33	0.35	6%
Aug	0.32	0.37	16%
Sep	0.3	0.38	27%
Oct	0.3	0.4	33%
Nov	0.29	0.41	41%
Dec	0.29	0.42	45%
Exchange Rate	n/a	Local Currency/US \$	
Date of Quote	n/a	MM/DD/YYYY	
Notes: Year Average Exchange Rate: 2001: US\$1.00=R\$2.25 2002: US\$1.00=R\$2.93 Producer Price: Milk Type "C".			

PSD: Dairy, Cheese

Brazil Dairy, Cheese							
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		01/2002		01/2003		01/2004	MM/YYYY
Beginning Stocks	0	0	0	0	0	0	(1000 MT)
Production	470	470	480	460	0	470	(1000 MT)
Intra EC Imports	0	0	0	0	0	0	(1000 MT)
Other Imports	10	11	10	6	0	6	(1000 MT)
TOTAL Imports	10	11	10	6	0	6	(1000 MT)
TOTAL SUPPLY	480	481	490	466	0	476	(1000 MT)
Intra EC Exports	0	0	0	0	0	0	(1000 MT)
Other Exports	2	2	4	3	0	4	(1000 MT)
TOTAL Exports	2	2	4	3	0	4	(1000 MT)
Human Dom. Consumption	478	479	486	463	0	472	(1000 MT)
Other Use, Losses	0	0	0	0	0	0	(1000 MT)
Total Dom. Consumption	478	479	486	463	0	472	(1000 MT)
TOTAL Use	480	481	490	466	0	476	(1000 MT)
Ending Stocks	0	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	480	481	490	466	0	476	(1000 MT)
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Import Trade Matrix, Cheese

Brazil Dairy, Cheese			
Time Period	Jan-Dec	Units:	1,000 MT
Imports for:	2001		2002
U.S.	0	U.S.	0
Others		Others	
Argentina	3		6
Uruguay	2		4
Total for Others	5		10
Others not Listed	3		1
Grand Total	8		11

Export Trade Matrix, Cheese

Brazil			
Dairy, Cheese			
Time Period	Jan-Dec	Units:	1,000 MT
Exports for:	2001		2002
U.S.		U.S.	
Others	0	Others	0
Argentina	2		1
Total for Others	2		1
Others not Listed	0		1
Grand Total	2		2

PSD: Dairy, Butter

Brazil Dairy, Butter							
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		01/2002		01/2003		01/2004	MM/YYYY
Beginning Stocks	0	0	0	0	0	0	(1000 MT)
Production	70	70	78	72	0	75	(1000 MT)
Intra EC Imports	0	0	0	0	0	0	(1000 MT)
Other Imports	7	8	2	4	0	2	(1000 MT)
TOTAL Imports	7	8	2	4	0	2	(1000 MT)
TOTAL SUPPLY	77	78	80	76	0	77	(1000 MT)
Intra EC Exports	0	0	0	0	0	0	(1000 MT)
Other Exports	1	0	2	0	0	0	(1000 MT)
TOTAL Exports	1	0	2	0	0	0	(1000 MT)
Domestic Consumption	76	78	78	76	0	77	(1000 MT)
TOTAL Use	77	78	80	76	0	77	(1000 MT)
Ending Stocks	0	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	77	78	80	76	0	77	(1000 MT)
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Import Trade Matrix, Butter

Brazil Dairy, Butter			
Time Period	Jan-Dec	Units:	1,000 MT
Imports for:	2001		2002
U.S.	0	U.S.	0
Others		Others	
Argentina	0		3
Uruguay	1		5
Total for Others	1		8
Others not Listed	0		0
Grand Total	1		8

PSD: Dairy, Dry Whole Milk Powder

Brazil Dairy, Dry Whole Milk Powder							
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		01/2002		01/2003		01/2004	MM/YYYY
Beginning Stocks	31	0	19	0	0	0	(1000 MT)
Production	355	355	365	390	0	410	(1000 MT)
Intra EC Imports	0	0	0	0	0	0	(1000 MT)
Other Imports	85	95	75	47	0	40	(1000 MT)
TOTAL Imports	85	95	75	47	0	40	(1000 MT)
TOTAL SUPPLY	471	450	459	437	0	450	(1000 MT)
Intra EC Exports	0	0	0	0	0	0	(1000 MT)
Other Exports	2	24	2	27	0	30	(1000 MT)
TOTAL Exports	2	24	2	27	0	30	(1000 MT)
Human Dom. Consumption	450	426	457	410	0	420	(1000 MT)
Other Use, Losses	0	0	0	0	0	0	(1000 MT)
Total Dom. Consumption	450	426	457	410	0	420	(1000 MT)
TOTAL Use	452	450	459	437	0	450	(1000 MT)
Ending Stocks	19	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	471	450	459	437	0	450	(1000 MT)
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Import Trade Matrix, Dry Whole Milk Powder

Brazil Dairy, Dry Whole Milk Powder			
Time Period	Jan-Dec	Units:	1,000 MT
Imports for:	2001		2002
U.S.	0	U.S.	0
Others		Others	
Argentina	32		60
New Zealand	0		4
Uruguay	5		25
Total for Others	37		89
Others not Listed	4		6
Grand Total	41		95

Export Trade Matrix, Dry Whole Milk Powder

Time Period	Jan-Dec	Units:	1,000 MT
Exports for:	2001		2002
U.S.	0	U.S.	0
Others		Others	
Angola	5		10
Trinidad Tobago	1		4
Total for Others	6		14
Others not Listed	1		10
Grand Total	7		24

PSD: Dairy, Milk, Nonfat Dry

Brazil Dairy, Milk, Nonfat Dry							
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		01/2002		01/2003		01/2004	MM/YYYY
Beginning Stocks	0	0	0	0	0	0	(1000 MT)
Production	107	107	108	108	0	110	(1000 MT)
Intra EC Imports	0	0	0	0	0	0	(1000 MT)
Other Imports	16	19	16	12	0	11	(1000 MT)
TOTAL Imports	16	19	16	12	0	11	(1000 MT)
TOTAL SUPPLY	123	126	124	120	0	121	(1000 MT)
Intra EC Exports	0	0	0	0	0	0	(1000 MT)
Other Exports	3	3	3	1	0	2	(1000 MT)
TOTAL Exports	3	3	3	1	0	2	(1000 MT)
Human Dom. Consumption	120	123	121	119	0	119	(1000 MT)
Other Use, Losses	0	0	0	0	0		(1000 MT)
Total Dom. Consumption	120	123	121	119	0	119	(1000 MT)
TOTAL Use	123	126	124	120	0	121	(1000 MT)
Ending Stocks	0	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	123	126	124	120	0	121	(1000 MT)
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Import Trade Matrix, Nonfat dry

Brazil Dairy, Milk, Nonfat Dry			
Time Period	Jan-Dec	Units:	1,000 MT
Imports for:	2001		2002
U.S.	0	U.S.	0
Others		Others	
Argentina	8		6
New Zealand	1		1
Uruguay	1		10
Total for Others	10		17
Others not Listed	2		2
Grand Total	12		19

Export Trade Matrix, Nonfat Dry

Brazil Dairy, Milk, Nonfat Dry			
Time Period	Jan-Dec	Units:	1,000 MT
Exports for:	2001		2002
U.S.	0	U.S.	0
Others		Others	
Algeria	0		3
Total for Others	0		3
Others not Listed	0		0
Grand Total	0		3